

**LOUISIANA
ECONOMIC
DEVELOPMENT**



LOUISIANA: VISION 2020

Louisiana: Vision 2020, the state's master plan for economic development, establishes an exciting picture of where Louisiana can be in the year 2020. First started in 2000 by the administration of Governor Michael Foster, it is built around a vision of Louisiana as a state with a vibrant, balanced economy; a fully engaged, well-educated and trained workforce; and a quality of life placing it among the top 10 states in the country in which to live, work, visit and do business.

Vision 2020 is a challenge to create a newer and better Louisiana and a guide to economic renewal and diversification. It is a platform for innovative initiatives.

Vision: Louisiana Economic Development will be the driving force to ensure every Louisiana citizen has the opportunity to enjoy a standard of living and a quality of life that is second to none.

Mission: The mission of Louisiana Economic Development is to provide excellence in leadership, policy and programs to create a business climate enabling public-private linkages, which result in capital investment, a diversified economic base and quality job opportunities for all Louisiana citizens.

My mandate from Governor Kathleen Babineaux Blanco and on behalf of the state of Louisiana is clear: Build the most professional, responsive, efficient and successful business climate in the United States. I'm proud to report that Louisiana is doing that.

Louisiana is situated on the southern coast of the United States, serving as the major gateway for goods moving in and out of the country. Louisiana's system of 26 ports – the most extensive in the world – enables waterborne commerce to reach 35 states through the protected inland waterway system. As a result, Louisiana is a top 10 exporting state with \$19 billion in 2004. The strategic position allows companies to serve markets throughout the Americas and the Caribbean. Complementing Louisiana's major port system is an extensive rail system, with six major railroads operating within

state boundaries. We also have excellent connectivity to the interstate highway system – including the automotive assembly infrastructure along the I-20 corridor – for companies that need to move goods to and from major U.S. markets.

**A LETTER FROM
MICHAEL OLIVIER,
SECRETARY OF
LOUISIANA ECONOMIC
DEVELOPMENT**



Adding to this competitive logistical advantage is one of the most comprehensive, pro-business incentives packages in the United States, enacted by the legislature and signed into law by Governor Blanco.

This new day in Louisiana has captured the imagination of corporations around the world and is one of the reasons economic development activities in our state reached an all-time high in the 2004-05 fiscal year.

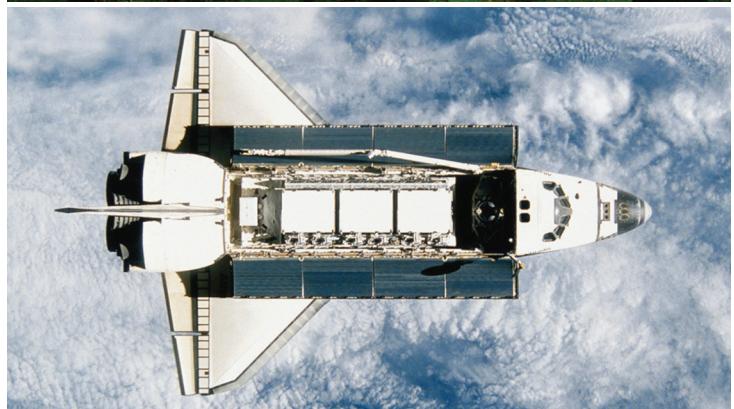
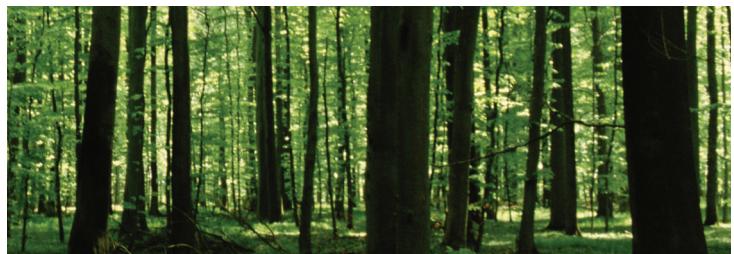
The LED staff and I are ready to make Vision 2020 a reality. Review this annual report and you will see that Louisiana is open for business.

A handwritten signature in black ink, appearing to read "M. Olivier".

Michael J. Olivier
Secretary

WORKFORCE PRODUCTIVITY AND TECHNOLOGY

- \$50 million worker training fund established by Louisiana government leads the nation
- Largest importer of steel/rubber/coffee in the U.S.
- More than 150 shipyards
- Since 2001, investment of \$600 million into advanced technology infrastructure:
 - Center for Advanced Micro Devices – micro manufacturing
 - Louisiana Immersive Technologies Enterprise – supercomputer-driven, interactive 3D modeling technology for seismic analysis, computer-aided modeling
 - National Center for Advanced Manufacturing – aerospace, maritime and offshore applications
 - Pennington Biomedical Research Center – nutrition and diabetes
 - Three wet lab incubators – one each in Shreveport, Baton Rouge and New Orleans



ROBUST INVESTMENT IN LOUISIANA

Between June 2004 and July 2005:

- \$30 billion cumulative investment from companies based in other countries
- \$4.1 billion in new capital investments representing 4,156 new jobs

ABUNDANT RESOURCES

- Produces nearly 30 percent of U.S. oil.
- One of the top natural gas producing states in the U.S.
- Largest U.S. producer of salt
- Major producer of sulfur, lime and silicon
- Primary crops include rice, sugarcane, cotton, soybeans and sweet potatoes
- Ranks second in the U.S. seafood catch

LOUISIANA'S AGGRESSIVE BUSINESS INCENTIVES:

2005 ANNUAL REPORT LED ☆

Major Projects Development Authority. Allows for major awards for significant capital projects. Funding uses include land acquisition, development, planning, financing and construction.

Quality Jobs Program. Rebates up to 6 percent of a qualifying company's gross annual payroll associated with new jobs created by a project for up to 10 years.

Rapid Response Fund. Makes major awards to a business that has an economic development project that can potentially create and/or retain jobs in the state of Louisiana.

Industrial Property Tax Exemption Program. Abates local property taxes for 10 years on a manufacturer's investment in buildings, machinery, equipment and other property that is part of the manufacturing process and remains on the plant site.

Louisiana Economic Development Award Program (EDAP). Provides financing for publicly owned infrastructure for industrial or business development projects including engineering expenses, site acquisition and preparation, construction expenses, building materials and capital equipment.

Louisiana Workforce Development and Training Program. Provides customized workforce training for new companies, existing companies operating for three years or less or companies expanding current operations. Two types of training assistance are provided – pre-employment skill development and on-the-job skill improvement.

Headquarter Growth Program. Eliminates the taxes on interest and dividends for companies locating their headquarters in Louisiana and aligns with other states to apportion income from capital gains.

Research and Development Credit. Provides tax credits for research and development activities from 8 percent to 20 percent depending on the employment base of the company.

Angel Investment Credit. Provides tax credits for early stages of investment in Louisiana-based start-up businesses by allowing an accredited investor to receive a 50 percent tax credit - divided into portions of 10 percent over five years - on personal income or corporate franchise tax liabilities owed to the state.

Entertainment Incentives. Recognizing the success of our internationally respected film credits program, Louisiana recently expanded those incentives for application in three sectors of the entertainment industry:

Film Industry Development Credit. Encourages further investments by the film industry to foster a permanent industry in Louisiana. This program focuses on in-state investment, encourages Louisiana-based infrastructure and proposes an optional credit, refundable by the state at a discounted value. For producers, this legislation makes the program easier to utilize while maintaining financial value.

Digital Media Credit. Encourages creation of a thriving video game development industry in Louisiana. Under this program, video game developers earn a 20 percent tax credit against their expenditures in Louisiana in return for a commitment to a presence in Louisiana for the long term, as well as development of relationships with and curriculums at Louisiana universities.

Sound Recording Credit. Encourages major record companies to record at Louisiana studios. The incentive creates a refundable 10, 15 or 20 percent tax credit for recording projects or infrastructure investment, with an annual cap on program costs and a maximum period of usage.

Retention and Modernization Program. Provides tax exemptions and/or tax equalization to existing Louisiana companies to encourage the modernization of operations.

Louisiana Enterprise Zone Program. Provides tax credits and rebates including a \$2,500 tax credit for each net new permanent job created during the first five years of operation and a rebate of the state's 4 percent sales/use tax on the materials, machinery and equipment purchased during the construction period and used exclusively on site.

Rail Rolling Stock Tax Exemption. Offers tax incentives to companies to encourage the manufacturing and repair of rail rolling stock within the state of Louisiana.

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM

	FY 2004-2005
Awards Granted	\$4,010,651
Retained Jobs	962
New Jobs	1653
Associated Incremental Payroll	\$36,759,737
Associated Incremental Private Investment	\$42,736,284

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION

	FY 2004-2005
LEDC Participation	\$5,035,868
Bank Participation	\$4,768,000
Associated Jobs	89

WORKFORCE DEVELOPMENT AND TRAINING PROGRAM

	FY 2004-2005
Awards Granted	\$1,279,269
Trainees	905
Retained Jobs	1914
New Jobs	428
Associated Incremental Payroll	\$14,146,264
Associated Incremental Private Investment	\$24,050,000

TOTAL BUSINESS INCENTIVES PROGRAMS

	FY 2004-2005
Projects	1090
Permanent Jobs	17511
Construction Jobs	40035
Capital Investment	\$6,765,405,537
Tax Relief	\$1,055,403,264

TEN-YEAR INDUSTRIAL PROPERTY TAX ABATEMENT PROGRAM

	FY 2004-2005
Projects	815
Permanent Jobs	5758
Construction Jobs	26956
Capital Investment	\$4,326,504,640
Tax Relief	\$674,934,724

ENTERPRISE ZONE PROGRAM

	FY 2004-2005
Projects	216
Permanent Jobs	10780
Construction Jobs	12332
Capital Investment	\$2,302,133,651
Tax Relief	\$359,132,850

QUALITY JOBS PROGRAM

	FY 2004-2005
Projects	27
Permanent Jobs	2117
Construction Jobs	956
Capital Investment	\$831,893,932
Tax Relief	\$129,775,453

RESTORATION TAX ABATEMENT PROGRAM

	FY 2004-2005
Projects	45
Permanent Jobs	156
Construction Jobs	728
Capital Investment	\$97,823,373
Tax Relief	\$15,260,446

TOTAL STATE INVESTMENT AND TOP 50 PROJECTS BY INVESTMENT, FY 05

Company	Parish	Total Investment	New Jobs	Existing Jobs
Shintech	Iberville	\$1,000,000,000	150	0
Cheniere Energy	Cameron	\$756,000,455	70	0
ExxonMobil Corporation	East Baton Rouge	\$191,000,000	40	1366
Georgia-Pacific Corporation - Port Hudson	East Baton Rouge	\$151,331,000	5	1094
Chalmette Refining	St. Bernard	\$130,000,000	5	552
Martco Limited Partnership	Allen	\$120,000,000	170	0
Procter & Gamble	Rapides	\$115,000,000	15	285
ExxonMobil - Baton Rouge Refinery	East Baton Rouge	\$104,100,000	0	1963
Union Tank Car	Rapides	\$91,082,000	850	0
Motiva Enterprises	St. Charles	\$86,400,000	0	1400
Baton Rouge General Medical Center	East Baton Rouge	\$80,000,000	400	800
Steelscape	Caddo	\$78,700,000	120	0
Motiva Enterprises	St. James	\$75,500,000	0	573
LaShip	Terrebonne	\$64,525,000	750	0
Capital City Press	East Baton Rouge	\$57,000,000	0	548
The Dow Chemical Company	Iberville	\$48,000,000	3	1496
Entergy Louisiana - Waterford 3	St. Charles	\$47,180,000	0	804
Chateau Mirage	Lafayette	\$40,500,000	100	0
Wampold Development	East Baton Rouge	\$40,000,000	100	0
Capitol House Hotel Corporation	East Baton Rouge	\$40,000,000	250	0
Canal Condominium Development	Orleans	\$39,100,000	50	0
Fairfield Resorts	Orleans	\$37,000,000	28	0
WPT	Calcasieu	\$37,000,000	10	318
Libbey Glass	Caddo	\$35,000,000	0	1100
ExxonMobil - Baton Rouge Chemical Plant	East Baton Rouge	\$34,640,000	2	1189
Pelican Refining Company	Calcasieu	\$34,000,000	50	0
Calcasieu Refining Company	Calcasieu	\$33,055,000	20	42
Valero - St. Charles Refinery	St. Charles	\$32,000,000	5	538
Calumet Lubricants	Caddo	\$30,000,000	20	100
Guide Louisiana	Ouachita	\$28,846,000	5	859
Valero - Krotz Springs Refinery	St. Landry	\$28,000,000	5	225
Eunice Community Medical Center	St. Landry	\$27,249,983	21	151
Woman's Hospital	East Baton Rouge	\$26,000,000	5	1400
Sasol North America	Calcasieu	\$26,000,000	0	401
Textron Marine & Land Systems	St. Tammany	\$25,300,000	440	550
Marriott Hotel Properties II	Orleans	\$25,000,000	30	450
Louisiana Hospital Center	Tangipahoa	\$24,600,000	110	0
Martco Limited Partnership	Natchitoches	\$24,100,000	45	0
PCS Nitrogen Fertilizer	Iberville	\$20,000,000	5	129
Valero - St. Charles Refinery	St. Charles	\$20,000,000	5	538
WWL-TV	Orleans	\$19,800,000	5	187
ExxonMobil - Baton Rouge Refinery	East Baton Rouge	\$19,700,000	0	1189
Geismar Vinyls Company	Ascension	\$18,500,000	110	5
Entergy Gulf States - Riverbend	West Feliciana	\$18,460,000	0	608
El Paso - Dauphin Island Company	St. Mary	\$15,525,000	5	9
Wampold Development	East Baton Rouge	\$15,000,000	25	0
Target Corporation	East Baton Rouge	\$14,315,000	0	0
Intralox	Jefferson	\$14,000,000	22	700
Louisiana Guest House	Lafayette	\$13,000,000	100	0
St. Charles Condominium Development	Orleans	\$13,000,000	5	6

TOTAL

\$4,064,509,438

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